

Message Text

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ORIGIN AF-10

INFO OCT-01 ISO-00 SP-02 AID-05 EB-08 TRSE-00 SS-15
STR-07 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03
INR-10 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01
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CIA, NSC, AID, TREAS, COMM, EX-IM, OPIC, STR, DOD
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FM SECSTATE WASHDC
TO AMEMBASSY LAGOS NIACT IMMEDIATE

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E.O. 11652: N/A

TAGS: EINV, NI

SUBJECT: IBM DECIDES TO WITHDRAW FROM NIGERIA

REF: LAGOS 5586

1. IBM TODAY INFORMED DEPARTMENT OF ITS INTENTION TO WITHDRAW FROM NIGERIA BY THE END OF THIS YEAR. IBM WAS TO HAVE NOTIFIED FMG MAY 11 AND INTENDS TO ANNOUNCE DECISION TO ITS 145 LOCAL EMPLOYEES TOMORROW, MAY 12.
 2. FIRM FEELS IT IS UNABLE TO ABIDE BY TERMS OF INDIGENIZATION DECREE AND THAT FMG REJECTED BOTH OF ITS OFFERS TO COMPROMISE, MOST RECENT OF WHICH WAS PRESENTED ON FEBRUARY 24. IBM PRESENTLY NEGOTIATING WITH AT LEAST TWO FIRMS
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(EAST ASIATIC AND SCOA) WITH THE HOPES THAT
AT LEAST ONE WILL BE ABLE TO CONTINUE TO SERVICE IBM'S
CUSTOMERS, CONTINUE IBM'S DATA SERVICE CENTER, AND POSSIBLY
CONTINUE MARKETING OPERATIONS. COMPANY STATES ITS 1977
EARNINGS WERE DOLS 14.9 MILLION, OF WHICH DOLS 11.2 DERIVED
FROM HARDWARE RENTALS AND SERVICING, DOLS 2.5 MILLION FROM
SALES OF OFFICE BUSINESS MACHINES, AND DOLS 1.1 MILLION

FROM DATA SERVICE CENTER. IBM SAYS IT WAS WILLING TO SELL
100 EQUITY IN LATTER TWO ASPECTS OF ITS BUSINESS IN NIGE-
RIA BUT WAS UNWILLING TO PART WITH ANY OF ITS RENTAL/SER-
VICING BUSINESS. IBM'S DECISION TO WITHDRAW IS FINAL AND

IRREVOCABLE ACCORDING TO COMPANY REPRESENTATIVE.

3. EMBASSY SHOULD REPORT ON FMG AS WELL AS PUBLIC
REACTION TO IBM'S DECISION.

VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLOSURE OF OFFICES, BUSINESS FIRMS, COMPUTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: RJKOTT:LMG
Enclosure: n/a
Executive Order: N/A
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Expiration:
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Format: TEL
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Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780568/aaaacftl.tel
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Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: befa16a0-c288-dd11-92da-001cc4696bcc
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TAGS: EINV, NI, IBM
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